

**Table A16: Schedule Showing the Yield on U.S. Government Treasury Securities  
at Constant Maturity of 5 Years (Secondary Market), 1964-2002**

<u>Date</u>	<u>Percent</u>	<u>Index</u>
1964	4.07	1.000000
1965	4.25	1.042500
1966	5.11	1.095772
1967	5.10	1.151656
1968	5.70	1.217301
1969	6.93	1.301659
1970	7.38	1.397722
1971	5.99	1.481445
1972	5.98	1.570036
1973	6.87	1.677897
1974	7.82	1.809109
1975	7.78	1.949858
1976	7.18	2.089857
1977	6.99	2.235938
1978	8.32	2.421968
1979	9.51	2.652298
1980	11.45	2.955986
1981	14.25	3.377214
1982	13.01	3.816589
1983	10.79	4.228399
1984	12.26	4.746801
1985	10.12	5.227177
1986	7.30	5.608761
1987	7.94	6.054097
1988	8.48	6.567484
1989	8.50	7.125720
1990	8.37	7.722143
1991	7.37	8.291265
1992	6.19	8.804494
1993	5.14	9.257045
1994	6.69	9.876342
1995	6.38	10.506452
1996	6.18	11.155751
1997	6.22	11.849639
1998	5.15	12.459895
1999	5.55	13.151419
2000	6.16	13.961547
2001	4.56	14.598193
2002	3.82	15.155844

(cont'd)

Appendix Page 32

**Table A16: Schedule Showing the Yield on U.S. Government Treasury Securities at Constant Maturity of 5 Years (Secondary Market), 1964-2002**

<u>Since</u>	<u>Years In Period</u>	<u>Amount</u>	<u>Percent</u>	<u>Percent Change Annually</u>
1997	5	3.44	27.90%	5.04%
1992	10	6.61	72.14%	7.23%
1987	15	9.47	150.34%	8.82%
1982	20	11.80	297.10%	8.79%
1977	25	13.45	577.83%	8.40%
1970	32	14.32	984.32%	7.49%

Source: Statistical Release G13(415), Board of Governors of the Federal Reserve System, Washington D.C., [const\\_cm.prn@www.frbchi.org](mailto:const_cm.prn@www.frbchi.org)  
<http://www.federalreserve.gov/releases/h15/data/a/tcm5y.txt>

Note: Index calculated by author, compounded annually, using the actual average annual rates.

Appendix Page 33

**Table A17: Schedule Showing the Yield on U.S. Government Treasury Securities  
at Constant Maturity of 10 Years (Secondary Market), 1964-2002**

<u>Date</u>	<u>Percent</u>	<u>Index</u>
1964	4.19	1.000000
1965	4.28	1.042800
1966	4.93	1.094210
1967	5.07	1.149686
1968	5.64	1.214529
1969	6.67	1.295538
1970	7.35	1.390760
1971	6.16	1.476431
1972	6.21	1.568117
1973	6.85	1.675533
1974	7.56	1.802203
1975	7.99	1.946199
1976	7.61	2.094305
1977	7.42	2.249703
1978	8.41	2.438903
1979	9.43	2.668891
1980	11.43	2.973945
1981	13.92	3.387919
1982	13.01	3.828687
1983	11.10	4.253671
1984	12.46	4.783679
1985	10.62	5.291705
1986	7.67	5.697579
1987	8.39	6.175606
1988	8.85	6.722147
1989	8.49	7.292857
1990	8.55	7.916397
1991	7.86	8.538625
1992	7.01	9.137183
1993	5.87	9.673536
1994	7.09	10.359389
1995	6.57	11.040001
1996	6.44	11.750977
1997	6.35	12.497164
1998	5.26	13.154515
1999	5.65	13.897745
2000	6.03	14.735779
2001	5.02	15.475515
2002	4.61	16.188937

(cont'd)

Appendix Page 34

**Table A17: Schedule Showing the Yield on U.S. Government Treasury Securities  
at Constant Maturity of 10 Years (Secondary Market), 1964-2002**

<u>Since</u>	<u>Years In Period</u>	<u>Amount</u>	<u>Percent</u>	<u>Percent Change Annually</u>
1997	5	3.85	29.54%	5.31%
1992	10	7.35	77.18%	5.89%
1987	15	10.43	162.14%	6.64%
1982	20	12.88	322.83%	7.48%
1977	25	14.52	619.60%	8.21%
1970	32	15.42	1064.04%	7.97%

**Source:** Statistical Release G13(415), Board of Governors of the Federal Reserve System, Washington D.C., [const\\_cm.prm@www.frbchi.org](mailto:const_cm.prm@www.frbchi.org)

**Note:** Index calculated by author, compounded annually, using the actual average annual rates.

**Table A18: Schedule Showing the Real Tax-Free Rate of Return on State & Local Government Aaa Bonds, 1962-99**

<u>Years</u>	<u>State &amp; Local Gov't Bonds Aaa Yield Average</u>	<u>State &amp; Local Gov't Bonds Aaa INDEX</u>	<u>CPI-U All Items</u>	<u>CPI-U All Items INDEX</u>
1962		1.00		1.00
1963	3.06%	1.03	1.32%	1.01
1964	3.09%	1.06	1.31%	1.03
1965	3.16%	1.10	1.61%	1.04
1966	3.67%	1.14	2.86%	1.07
1967	3.74%	1.18	3.09%	1.11
1968	4.20%	1.23	4.19%	1.15
1969	5.45%	1.30	5.46%	1.22
1970	6.12%	1.37	5.72%	1.28
1971	5.22%	1.45	4.38%	1.34
1972	5.04%	1.52	3.21%	1.38
1973	4.99%	1.59	6.22%	1.47
1974	5.89%	1.69	11.04%	1.63
1975	6.42%	1.80	9.13%	1.78
1976	5.66%	1.90	5.76%	1.88
1977	5.20%	2.00	6.50%	2.01
1978	5.52%	2.11	7.59%	2.16
1979	5.89%	2.23	11.35%	2.40
1980	7.86%	2.41	13.50%	2.73
1981	10.42%	2.66	10.32%	3.01
1982	10.88%	2.95	6.16%	3.20
1983	8.80%	3.21	3.21%	3.30
1984	9.61%	3.52	4.32%	3.44
1985	8.60%	3.82	3.56%	3.56
1986	6.95%	4.08	1.86%	3.63
1987	7.12%	4.37	3.65%	3.76
1988	7.36%	4.70	4.14%	3.92
1989	7.00%	5.02	4.82%	4.11
1990	6.96%	5.37	5.40%	4.33
1991	6.56%	5.73	4.21%	4.51
1992	6.09%	6.08	3.01%	4.65
1993	5.38%	6.40	2.99%	4.78
1994	5.77%	6.77	2.56%	4.91
1995	5.78%	7.16	2.83%	5.05
1996	5.56%	7.56	2.95%	5.20
1997	5.32%	7.96	2.29%	5.31
1998			1.56%	5.40
1999			2.21%	5.52
(cont'd)				

Source: Information compiled from the 1972 through 1994 Statistical Abstract of the United States' table entitled, "Bond and Stock Dividend Yields" (various issues). CPI Information from Aable A1; Index calculations by Author. 1995 figure from "Moody's Bond Record" published by Moody's Investors Service, February, 1998.

Appendix Page 36

**Table A18: Schedule Showing the Real Tax-Free Rate of Return on  
State & Local Government Aaa Bonds, 1962-97 (cont'd)**

<u>Years</u>	<u>Item</u>	<u>Local Gov't Bonds Aaa INDEX</u>	<u>CPI-U All Items INDEX</u>
1962 - 1997	Nominal Growth:	6.292%	5.036%
	Real Growth:	1.196%	
1976 - 1997	Nominal Growth:	7.430%	5.322%
	Real Growth:	2.002%	
1985 - 1997	Nominal Growth:	6.908%	3.888%
	Real Growth:	2.906%	
<u>Years</u>	<u>Real Rate of Return</u>	<u>Weight Factor</u>	<u>Weighted Real Rate of Return</u>
1962-1997	1.196%	1	1.196%
1976-1997	2.002%	2	4.004%
1986-1997	2.906%	3	8.719%
Weighted Average =			2.320%

Source: Calculated by Author.

Appendix Page 37

**Table A19: Schedule Showing the Real Interest Rate Based Upon Yields on Various Treasury Securities and Changes in the CPI-U (All Items), 1953-1997**

<u>Year</u>	<u>Short-Term Real Interest Rate</u>	<u>Intermediate-Term Real Interest Rate</u>	<u>Long-Term Real Interest Rate</u>
1953	1.1367%	1.8811%	2.0796%
1954	0.1895%	1.2317%	1.6387%
1955	2.1096%	3.0330%	3.2037%
1956	1.1109%	1.6824%	1.6626%
1957	-0.0763%	0.3690%	0.3302%
1958	-1.0374%	0.2071%	0.4599%
1959	2.6596%	3.7421%	3.6130%
1960	1.1323%	2.3317%	2.3612%
1961	1.3330%	2.7090%	2.8377%
1962	1.7491%	2.6699%	2.9174%
1963	1.8115%	2.4727%	2.6405%
1964	2.2040%	2.7272%	2.8456%
1965	2.3000%	2.5952%	2.6248%
1966	1.9472%	2.1903%	2.0056%
1967	1.1675%	1.9533%	1.9242%
1968	1.1022%	1.4477%	1.3997%
1969	1.1476%	1.3941%	1.1476%
1970	0.6318%	1.5682%	1.5398%
1971	-0.0493%	1.5410%	1.7039%
1972	0.8237%	2.6840%	2.9068%
1973	0.7719%	0.6118%	0.5836%
1974	-2.8694%	-2.8964%	-3.1305%
1975	-3.0586%	-1.2351%	-1.1251%
1976	-0.7395%	1.3407%	1.7472%
1977	-1.1668%	0.4576%	0.8614%
1978	-0.3818%	0.6778%	0.7614%
1979	-1.1672%	-1.6522%	-1.7150%
1980	-1.8578%	-1.8050%	-1.7962%
1981	3.3762%	3.5666%	3.2583%
1982	4.1818%	6.4519%	6.4425%
1983	5.2393%	7.3417%	7.6421%
1984	5.0066%	7.6140%	7.7866%
1985	3.7745%	6.3333%	6.8162%
1986	4.0362%	5.3420%	5.7150%
1987	2.0554%	4.1393%	4.5735%
1988	2.4321%	4.1701%	4.5254%
1989	3.1404%	3.5125%	3.5030%
1990	1.9893%	2.8147%	2.9855%
1991	1.1246%	3.0342%	3.5044%
(cont'd) 1992	0.4075%	3.0868%	3.8828%

Appendix Page 38

**Table A19: the Real Interest Rate Based Upon Yields on Various  
Treasury Securities and Changes in the CPI-U (All Items), 1953-1997 (cont'd)**

	<u>Year</u>	<u>Short-Term Real Interest Rate</u>	<u>Intermediate-Term Real Interest Rate</u>	<u>Long-Term Real Interest Rate</u>
	1993	0.0062%	2.0840%	2.7928%
	1994	1.6473%	4.0263%	4.4164%
	1995	2.5828%	3.4483%	3.6330%
	1996	1.9982%	3.1347%	3.3872%
	1997	2.7035%	3.8375%	3.9646%
<b>1953-1997 Average:</b>		1.30%	2.44%	2.60%

<u>Since</u>	<u>Years in Period</u>	<u>Average Short-Term Real Interest Rate</u>	<u>Average Intermediate-Term Real Interest Rate</u>	<u>Average Long-Term Real Interest Rate</u>
1992	5	1.56%	3.27%	3.68%
1987	10	1.83%	3.39%	3.74%
1982	15	2.65%	4.40%	4.72%
1977	20	1.96%	3.41%	3.66%
1972	25	1.39%	2.77%	3.00%
1967	30	1.29%	2.58%	2.76%
1962	35	1.39%	2.57%	2.74%
1954	43	1.30%	2.44%	2.60%

**Source:**

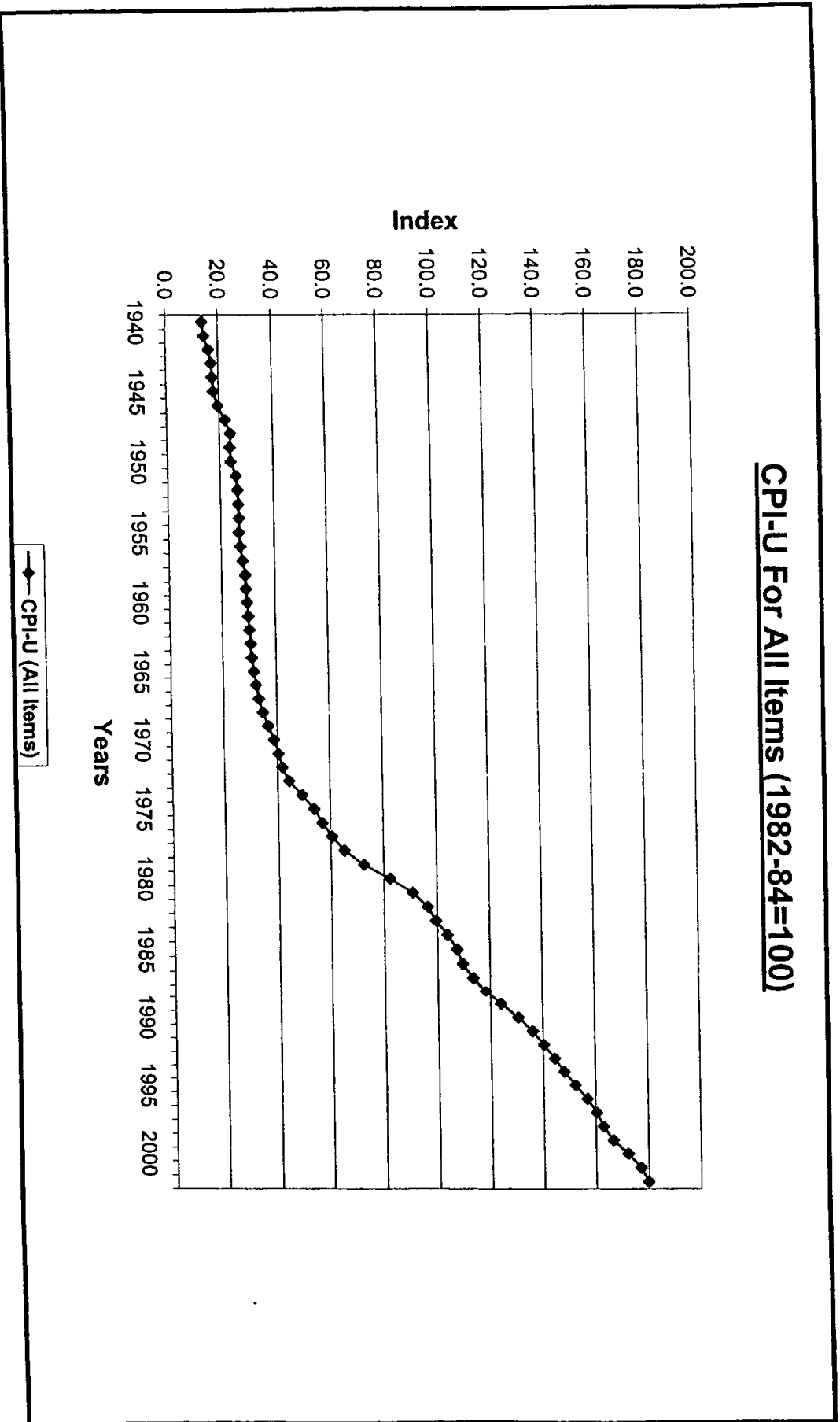
All real interest rate calculations are based upon the inflation rates taken from Table A1.  
Short-term real rates are based upon yields on 3-month Treasury bills relative to inflation;  
intermediate-term real rates are based upon yields on 5-year Treasury securities relative to inflation;  
long-term real rates are based upon yields on 10-year Treasury securities relative to inflation.



**Table A20: Schedule Showing the Minimum Hourly Wage Rate  
for Those Persons Covered by the Fair Labor Standards Act  
of 1938 and the Subsequent Amendments.**

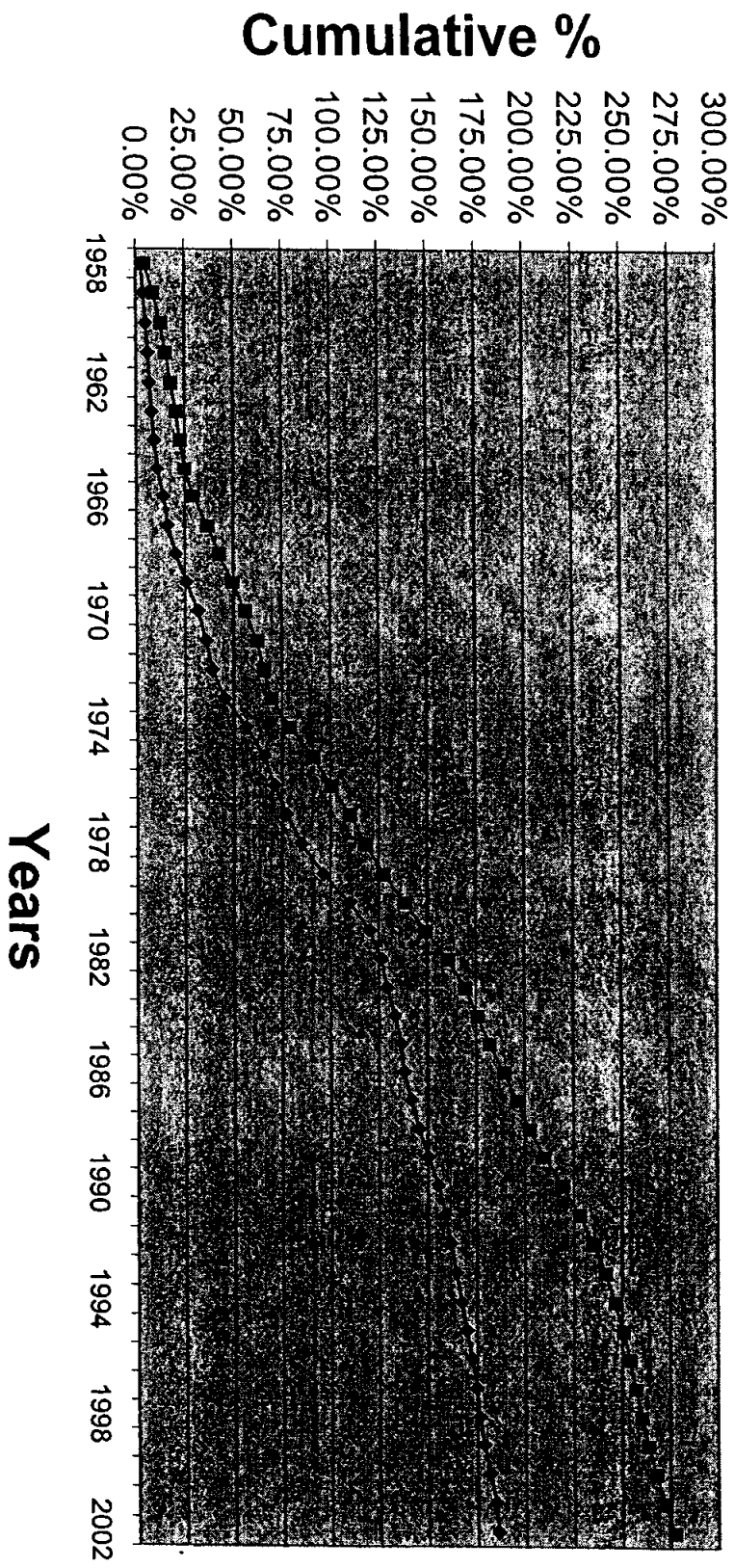
<u>Effective Date</u>	<u>Rate</u>	<u>Difference Amount</u>	<u>Percent</u>	<u>Percent Change Annually</u>
10/24/1938	0.25			
10/24/1939	0.30	0.05	20.00	20.00
10/24/1945	0.40	0.10	33.33	4.91
1/25/1950	0.75	0.35	87.50	15.92
3/1/1956	1.00	0.25	33.33	4.83
9/3/1961	1.15	0.15	15.00	2.57
9/3/1963	1.25	0.10	8.70	4.26
2/1/1967	1.40	0.15	12.00	3.38
2/1/1968	1.60	0.20	14.29	14.29
5/1/1974	2.00	0.40	25.00	3.64
1/1/1975	2.10	0.10	5.00	7.54
1/1/1976	2.30	0.20	9.52	9.52
1/1/1978	2.65	0.35	15.22	7.34
1/1/1979	2.90	0.25	9.43	9.43
1/1/1980	3.10	0.20	6.90	6.90
1/1/1981	3.35	0.25	8.06	8.06
4/1/1990	3.80	0.45	13.43	1.37
4/1/1991	4.25	0.45	11.84	11.84
10/1/1996	4.75	0.50	11.76	2.04
9/1/1997	5.15	0.40	8.42	9.21

<u>Since</u>	<u>Years</u>	<u>Difference Amount</u>	<u>Percent</u>	<u>Percent Change Annually</u>
9/1/1995	5	0.90	21.18%	3.92%
9/1/1990	10	1.35	35.53%	3.09%
9/1/1985	15	1.80	53.73%	2.91%
9/2/1980	20	2.05	66.13%	2.57%
9/3/1975	25	3.05	145.24%	3.65%
9/3/1970	30	3.55	221.88%	3.97%
9/4/1965	35	3.90	312.00%	4.13%
9/4/1960	40	4.15	415.00%	4.18%
9/5/1955	45	4.40	586.67%	4.37%
9/6/1950	50	4.40	586.67%	3.93%
9/6/1945	55	4.85	1616.67%	5.30%
9/6/1940	60	4.85	1616.67%	4.85%
10/24/1938	62	4.90	1960.00%	5.00%



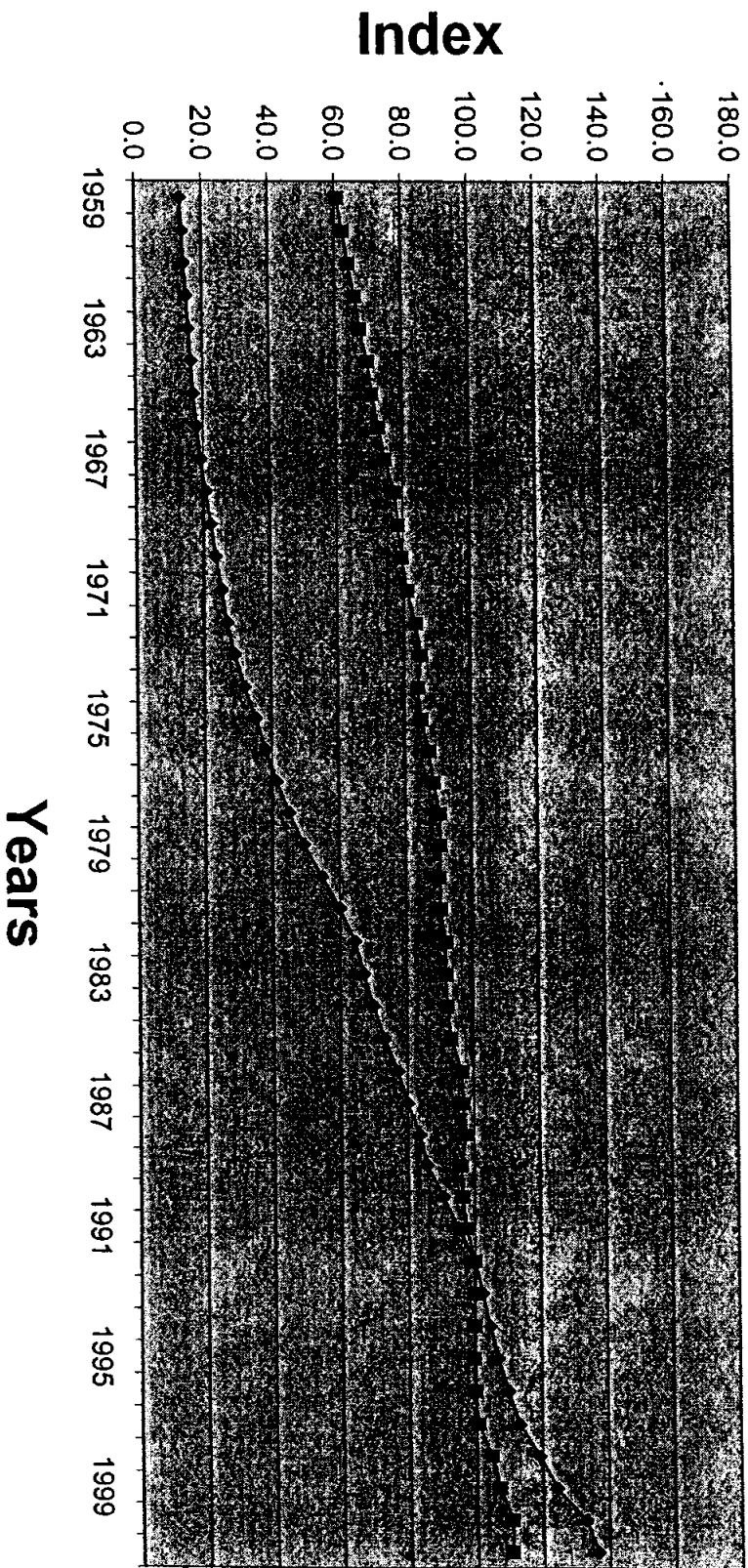
Graph A1

## Comparative Cumulative % Change In Consumer Prices (1982-84=100)



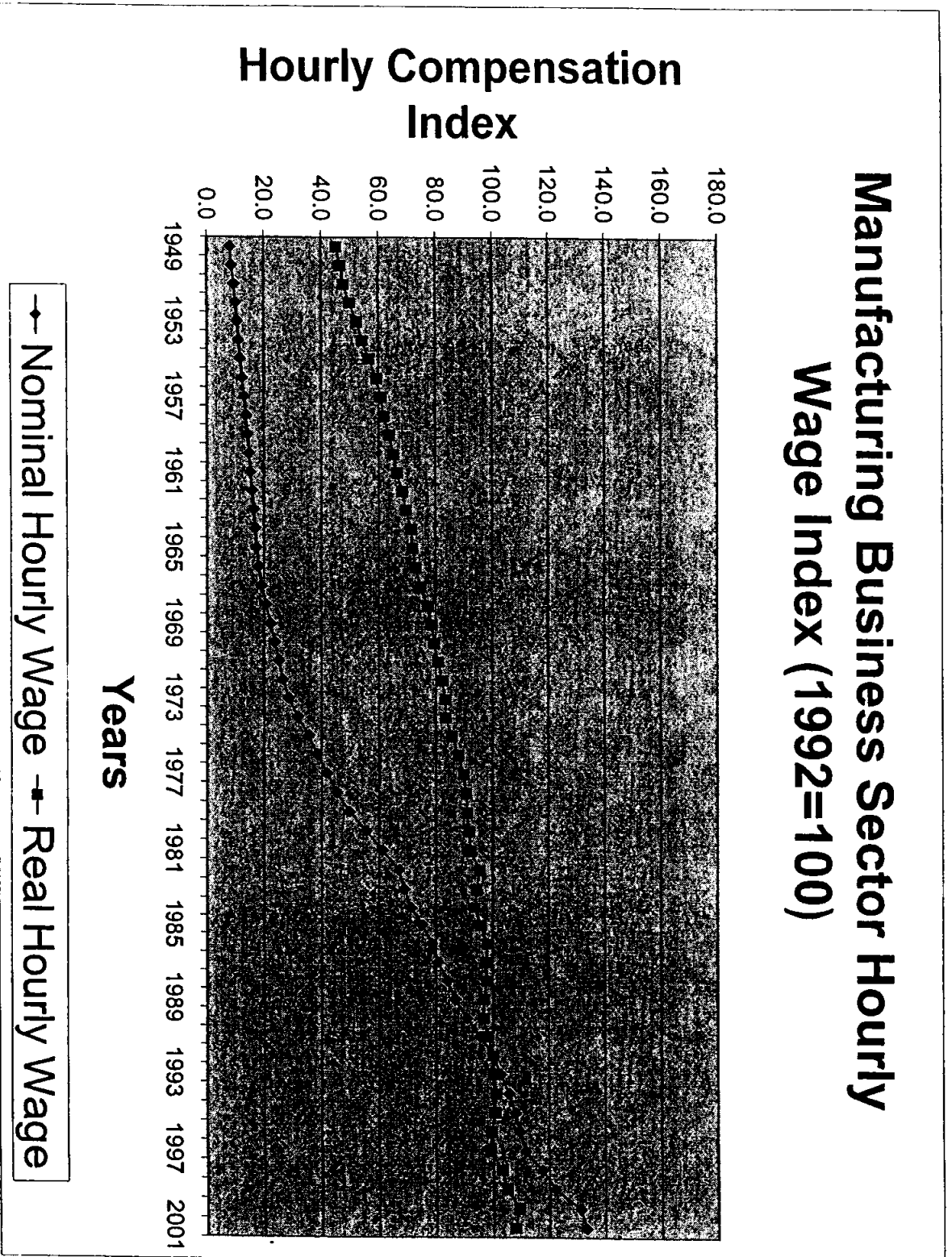
Graph A2

## Nonfarm Business Sector Hourly Wage Index (1992=100)



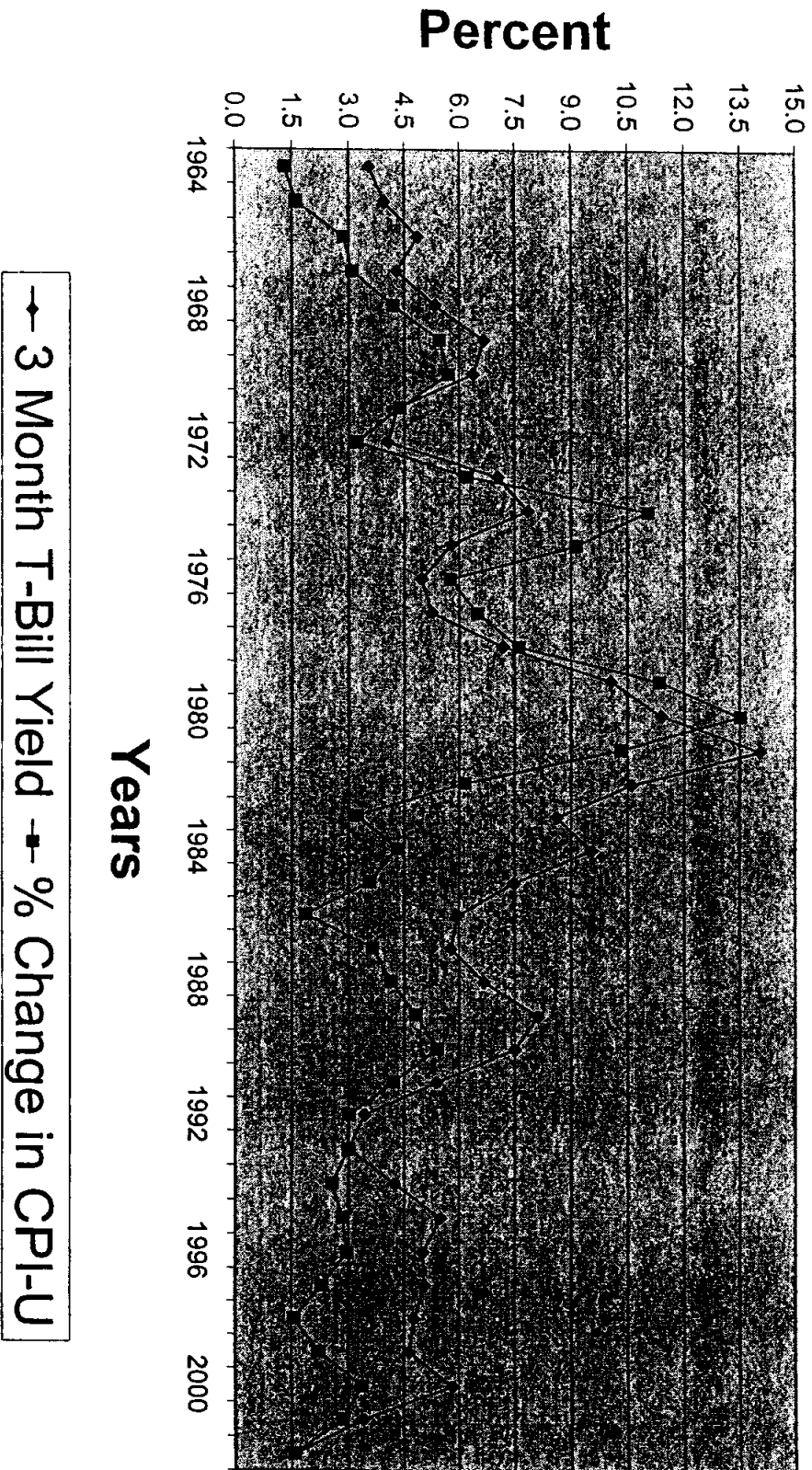
Graph A3





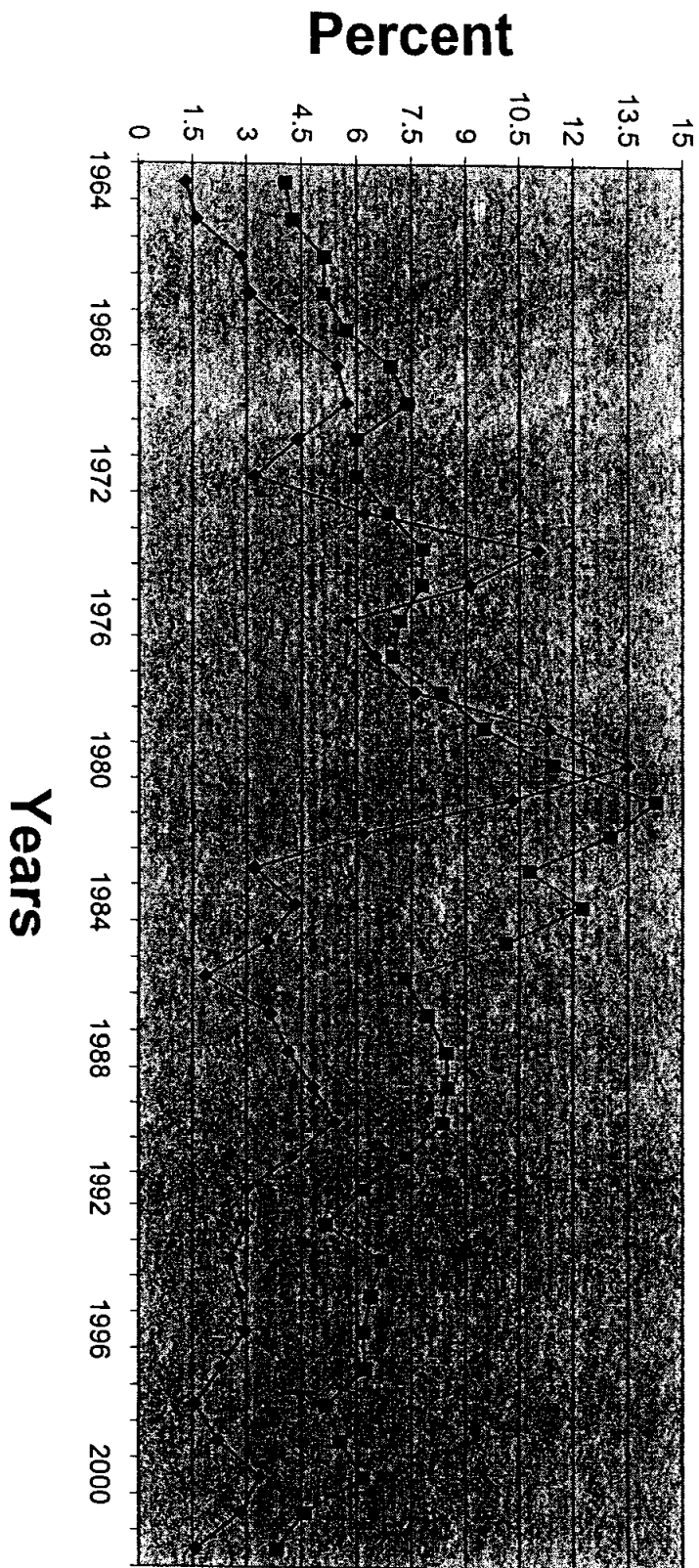
Graph A4

## Three Month T-Bill Yields And % Change in CPI-U All Items



Graph A5

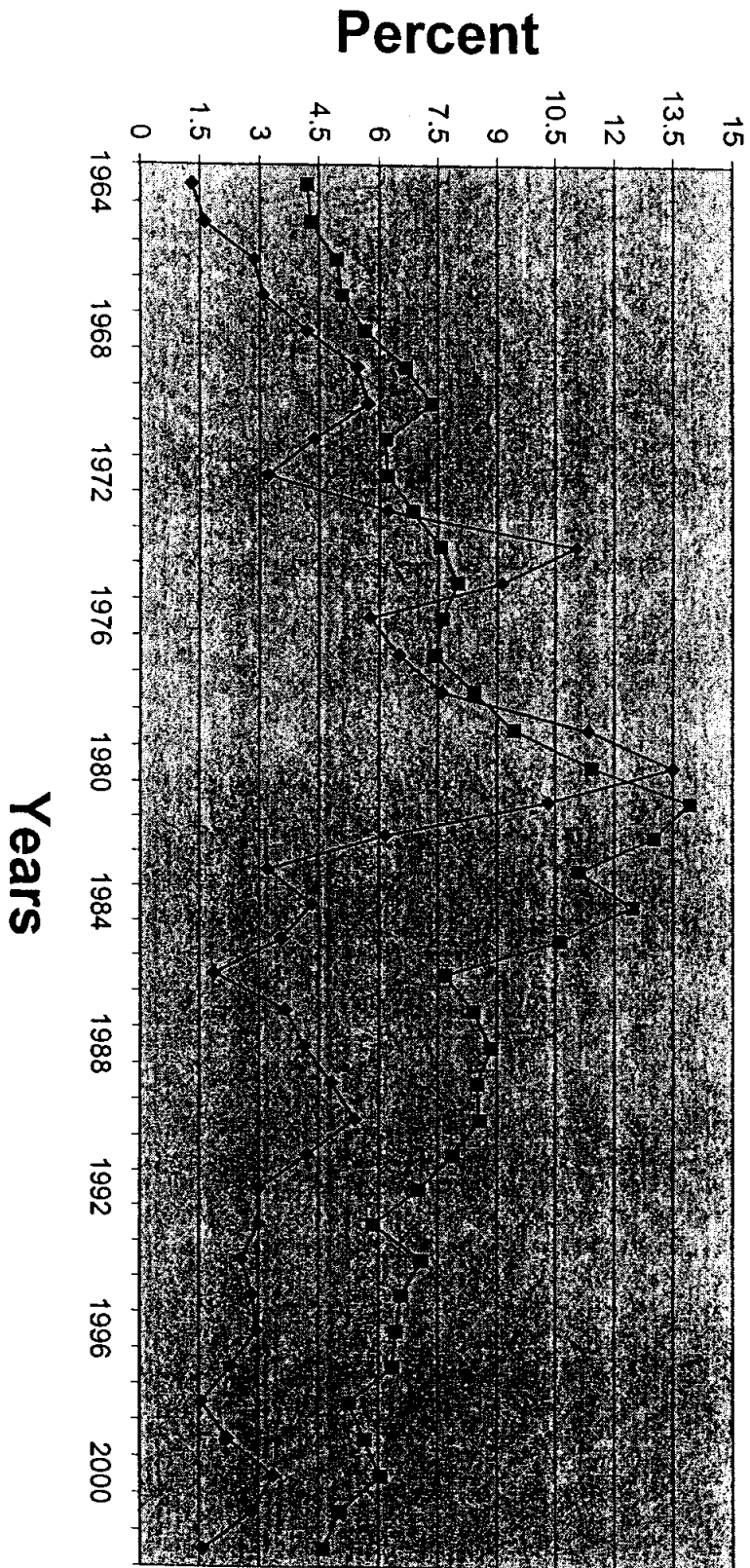
## Five Year Treasury Security Yields And % Change in CPI-U All Items



Graph A6



# **Ten Year Treasury Security Yields And % Change in CPI-U All Items**



◆ % Change in CPI-U    ■ 10 Year T-Note Yield

Graph A7